Marc Turi: The mysterious saga of an Arizona arms dealer

DENNIS WAGNER | The Republic | azcentral.com

In March 1987, an Arizona State University sophomore named Marc Chapman slipped into Old Main, a historic building on the Tempe campus, and ripped off $10,000 worth of computer equipment.

Within months, according to court records, he was a convicted felon, stripped of civil rights and barred from possessing firearms.

Twenty-four years later, in March 2011, an international arms dealer named Marc D. Turi set up a $534 million deal to ship military weapons from Eastern Europe to rebel fighters in Libya's civil war.

Within months, according to court records, federal agents swarmed over Turi's Scottsdale residence and seized *his* computer. He was charged with violating the U.S. Arms Export Control Act.

Seemingly unrelated incidents, but with a common denominator: The student and the arms merchant are just one person — a mysterious figure named Marc whose story contains all the elements of a spy novel.

Be advised that this saga, full of spooks and political misdirection, twists the mind. The CIA is involved. Also Bulgarian arms manufacturers, Benghazi terrorists, Libyan rebels and U.S. political operatives.

By the end, even Hillary Clinton and Donald Trump weave into a saga that had implications in America's 2016 presidential election.

Marc Daniel Chapman's early years are drawn from blurred Maricopa County Superior Court documents, now stored on reels of microfiche:

He was born in Hollywood, didn't know his birth father, and became a victim of abuse by a stepdad around age 6.

He went to high school in Los Angeles, where he was captain of the track team.

Then he began getting into trouble with the law.

The first offense, in Southern California, involved credit-card fraud and forgery around 1986.

While on probation, Chapman enrolled at ASU and joined the ROTC. A year later, he stole the computer equipment. A roommate informed police, leading to a guilty plea.

According to a pre-sentence report, Chapman described the theft as an impulsive mistake. He still wanted to study Russian "and be of service to his country." A probation officer opined that the defendant had "struggled for parental approval all his life, and rebelled when he did not get it." A detective said Chapman had been influenced by pals — "a crowd of idiots."

Chapman avoided a prison sentence. Within months, court records say, he violated probation, moved to Los Angeles, joined the Navy, went absent without leave, returned to Arizona, stole a car and ripped off some checks.

The new charges apparently were merged into his probation-revocation case. Chapman spent 24 days in jail. Then, somehow, he got intensive probation and was extradited to Beverly Hills, where another theft charge was pending.

In a Fox News interview years later, he would acknowledge making "very bad mistakes" as a young man, including a check forgery for $100,000. He also mentioned an "other than honorable" discharge from the Navy, adding, "I've been fighting ever since to get that honor back."

ASU records from 1987 show Chapman, a computer engineering major, left school around the time of his conviction. University officials declined to say whether he was expelled.

Chapman subsequently changed his last name to Turi and obtained a new Social Security number.

Turi declined comment to *The Arizona Republic* on his early life except to say he had been adopted as a child, and reverted to his birth name in early adulthood.

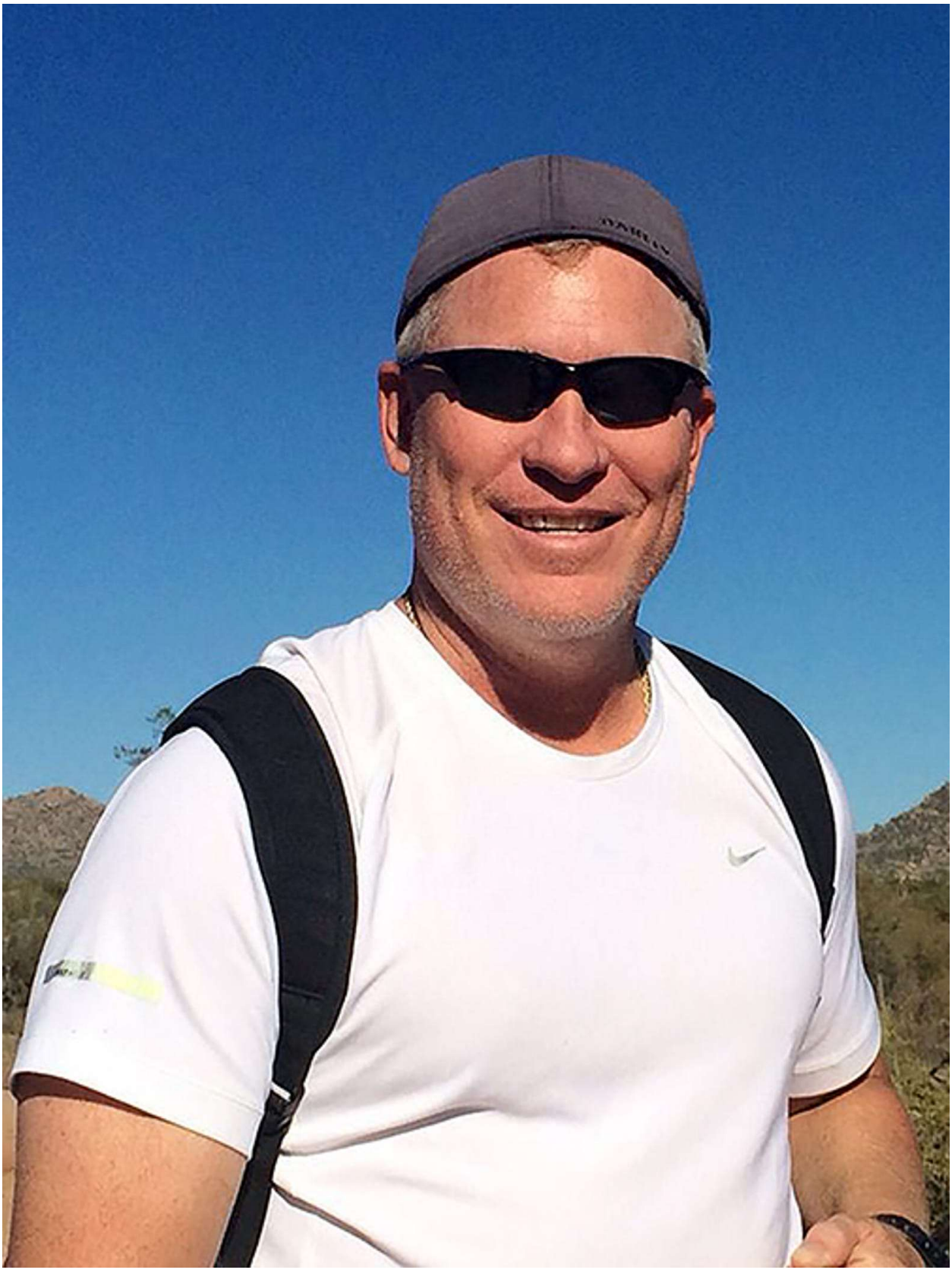
Other answers unravel in a paper chase.

During 1992, Turi returned to Tempe and enrolled at ASU under the new identity. It is unclear whether university officials realized the new microbiology student had previously matriculated as Chapman.

He stayed four years, earning a bachelor of science degree in 1996, and then spent a semester in grad school.

For a long while, his problems with law enforcement were over.

The trail mostly vanishes for several years before a military merchant pops up.



Marc Turi.

It is unclear exactly when and how Turi became an arms broker.

During a TV interview last year, he said he "got involved in this business in the late 1990s" — an assertion that raises questions because during those years he was a convicted felon prohibited from possessing firearms.

More recently, in written responses to questions from *The Arizona Republic*, Turi clarified by saying he began studying U.S. foreign policy and building international relationships in 1990s. He said the interest in military equipment started later when he attended a party in the Dominican Republic hosted by a U.S. Defense attache. He said he met Bulgarian weapon manufacturers at arms shows.

Asked who served as his arms-brokering mentor, Turi responded cryptically: "The USG," an abbreviation for the United States government.

In 2002, records show Turi asked a Maricopa County Superior Court judge to dismiss the 1987 conviction and restore his civil rights. That request was approved. However, because Turi did not specifically include the right to bear arms, he was still banned from gun possession.

Three years elapsed. Turi returned to Los Angeles, got an appraiser license and started a new company, Turi Valuation Advisors Inc., in 2005. Though the name sounds like real estate, online records show the enterprise became involved with government contracts, munitions and other ordnance, and began doing business as Turi Defense Group LLC.

In 2006, Turi corresponded again with the Maricopa County judge. He told how his life had turned around. He said he'd gone to medical school, was getting a master's degree in business, and planned to study electrical engineering.

Then he mentioned the appraisal business and asked to regain the right to bear arms so he could pursue "certain types of security clearances within the government." The judge accommodated.

Turi Defense Group describes itself on LinkedIn as a "global risk management consulting firm" involved with "defense procurement.

"We support U.S. national security and foreign policy objectives for defense, diplomacy and international development," adds the description.

Turi moved to Las Vegas, registered with the U.S. State Department as an international arms broker and was licensed as a weapons importer by the federal Bureau of Alcohol, Tobacco, Firearms and Explosives.

Then he moved again to a desert estate near Pinnacle Peak in Scottsdale, according to federal records.

It is unclear when the first big deal went down. But by 2010, Turi Defense Group had hit pay dirt, supplying $14 million in arms to the National Directorate of Security, Afghanistan's CIA-supported intelligence agency. According to Buzzfeed, the equipment out of Bulgaria included machine guns, sniper rifles and rocket-propelled grenades with launchers. Turi worked with a subcontractor, Arlo Dolarian, who at the time was under federal investigation for possible arms-dealing violations.

At the same time, Arab Spring insurgencies erupted in the Middle East, creating new arms markets.

Broken portraits of Moammar Gadhafi seen at the Libyan Embassy in Sofia, Bulgaria, in July 2011 after the Libyan diplomat in charge of consular affairs … **Show more**
VALENTINA PETROVA/AP

In emailed comments to *The Republic*, Turi said he was able to establish contacts with the National Transitional Council, a rebel group battling Libya's dictator, Moammar Gadhafi.

But there were complications. The U.N. Security Council in early 2011 imposed an arms embargo on Libya. NATO imposed an air-and-sea blockade. And, while then-Secretary of State Hillary Clinton was trying to coordinate with moderate insurgents, the prospective U.S. role was uncertain.

President Barack Obama and his staff were wary.

Should the U.S. militarily support Libyan freedom fighters at the risk of also arming Islamic terrorists? Should the government openly provide weapons? Or use clandestine tactics without leaving fingerprints? It was a dicey situation, each option carrying humanitarian and political perils.

The political stakes were particularly sensitive in early 2011 because the Obama administration was embroiled in Operation Fast and Furious, another scandal over guns getting in the wrong hands. As reported by *The Republic* in February 2011, federal agents in a Phoenix sting operation let smugglers move thousands of weapons to Mexican drug criminals, and one of the guns was used to murder a Border Patrol agent.

Amid the Libyan turmoil, Obama publicly adopted a "no boots on the ground" policy. An exhaustive analysis by the *New York Times* concluded that Clinton "pressed for a secret American program that supplied arms to rebel militias, an effort never before confirmed."

(Turi claims today — without offering proof — that there was even a secret "presidential finding for covert operations.")

CNN
What's allowed by a 'presidential finding'?

With opportunity ripe, Turi Defense Group applied to the State Department for a permit to ship "$195 million worth of Eastern European light and heavy armament and ammunition" to Libya. The list included mortars, machine guns, anti-tank rockets, combat rifles and millions of rounds of ammo.

The Arms Export Control Act authorizes the president to regulate American armament dealers who sell “defense articles” internationally. The law is designed to protect national security and foreign policy interests. That authority is delegated to the State Department, which must analyze and consent to U.S. originated weapons transfers like Turi's.

Turi was not alone in hoping to capitalize. Dolarian, his partner in the Afghan deal, also sought State Department permission to move Eastern Europe artillery to Libya via Kuwait.

While those requests were pending, Clinton and Chris Stevens, then special U.S. representative to Libya, met with Mustafa Jibril, leader of the rebels' National Transitional Council. Obama simultaneously authorized air attacks on Gadhafi’s military.

FILE - In this April 11, 2011 file photo, Ambassador Chris Stevens is seen in Benghazi, Libya. An independent panel appointed by Secretary of State … **Show more**
BEN CURTIS, AP

Dolarian's license was approved, and then overturned before any munitions were delivered, according to the *Washington Times*.

The application from Turi Defense Group was denied on March 22, 2011.

By that time, Turi had associates working in Qatar, Cypress, Dubai, London, Bulgaria and Arizona. According to a grand jury indictment, Turi warned one of his comrades via email: "State Department pulled plug on us. Be careful!!!! … It's out of our hands until foreign policy changes to support ground forces."

Days later, Turi came up with a Plan B: Seek a permit for the arms deal, but don't show Libya as the ultimate destination. He submitted a new State Department application with an identical weapons list, this time listing Qatar as the recipient.

Federal prosecutors would later seize Turi's emails, which spelled out the details. A bank in the United Arab Emirates was to provide financing for shipments to Qatar. And the transaction hinged on Libyan rebels agreeing to "a guarantee of oil reserves."

As Turi noted in an encrypted email to associates, "(O)nce the equipment leaves Eastern Europe, it is now in Arab hands."

Turi negotiated with the manufacturer while Stevens headed for Libya as the U.S. envoy.

U.S. Ambassador Chris Stevens, seen in this 2011 photo, was killed in an attack on the U.S. consulate in Benghazi.
BEN CURTIS/AP

According to congressional records, Stevens' military support was canceled because the U.S. had declared a policy of "no boots on the ground." Stevens and his entourage arrived in Benghazi on April 5, 2011, aboard a Greek ship, the Aegean Pearl.

His assignment was to quietly develop a relationship with resistance forces.

One week before Stevens was sworn in as ambassador to Libya, court records show, Turi exchanged emails with him, seeking help with his State Department permit. Stevens thanked Turi for the information, adding, "I'll keep it in mind and share it with my colleagues in Washington."

Clinton, meanwhile, was still weighing U.S. support for the insurgents. According to Politico, she messaged one of her State Department colleagues that month: "FYI, the idea of using private security experts to arm the opposition should be considered."

Turi's guns-to-Qatar application was approved.

All systems appeared to be go.

And, as Turi informed associates, the price tag was now set at $276 million "because the U.S. Dept of State denied Libya."

Congressional records show the Obama administration continued struggling with the Libya dilemma behind the scenes, and considered a deal very similar to Turi's.

On July 14, 2011, Clinton family confidante Sidney Blumenthal sent a note to Clinton about an upcoming visit to Turkey, where she could meet with retired Army Maj. Gen. David Grange, another arms broker.

Sidney Blumenthal, seen here arriving to be deposed by the House Select Committee on Benghazi on June 16, 2015.
CHIP SOMODEVILLA/GETTY IMAGES

Blumenthal wanted the U.S. to sign a $114 million contract for Grange's company, Osprey Global Solutions, to deliver equipment to anti-Gadhafi forces via a hospital ship. His message to Clinton sounded much like Turi's gambit: "This is a private contract. It puts Americans in a central role without being direct battle combatants. The TNC (National Transitional Council) wants to demonstrate they are pro-U.S."

(Blumenthal's communications went to Clinton's private email account, which became the subject of fierce controversy and congressional investigations. The messages were exposed only through efforts of a Romanian hacker.)

In an FBI interview, Blumenthal acknowledged he had ties to Osprey and stood to receive a finder's fee if the deal came to fruition.

A day after Blumenthal's email to Clinton, the Obama administration recognized the National Transitional Council as Libya's government, giving it access to $30 billion held in U.S. accounts previously controlled by Gadhafi.

According to Pro Publica, the correspondence shows Clinton not only conducted State Department business in private, but was aware of Libyan arms deals and relied on a "secret spy network" for intelligence. Moreover, her source had a financial interest in the civil war.

The *New York Times* reported that Osprey collaborated with another company that involved Clinton friends, political fundraisers and an ex-CIA agent.

Grange met with rebels, and a deal for police training and medical services initially was green-lighted by State Department officials, according to congressional investigators. But that contract later was shot down by the National Security Council. Congressional Benghazi report

Turi's plan also collapsed, but in a very different way:

On July 22, 2011, according to Turi, about 20 heavily armed Department of Homeland Security and Department of Defense agents stormed his Scottsdale residence with a search warrant, seizing evidence of criminal conduct.

The raid was handled so quietly there was not a single news report. Charges were not filed. After questioning by agents, Turi remained free.

In correspondence with *The Republic*, he claimed the State Department letter authorizing his arms-to-Qatar application arrived two days after the raid. But

with a criminal investigation underway, the deal worth $534 million was kaput.

A State Department official declined to answer questions about the Turi affair, saying, "We have no comment on licensing activity per federal regulations."

A man walks near a charred vehicle at the entrance of the U.S. Consulate in Benghazi, Libya, on Feb. 16, 2013. The deadly Sept. 11 … **Show more**
MOHAMMAD HANNON/AP

Libya's war ended several months later. Gadhafi was captured and killed. The country remained unstable, dangerous.

In September 2012, Islamic militants from Ansar al-Sharia attacked the U.S. Embassy in Benghazi, killing Ambassador Chris Stevens and three other Americans.

That event launched a frenzy of blame and congressional investigations, spearheaded by Republicans targeting Clinton. They assailed her for failure to provide security at the diplomatic compound, for false statements about the

attack, and for conducting classified State Department business via secret email accounts.

Former Secretary of State Hillary Clinton takes her seat on Capitol Hill on Oct. 22, 2015, prior to testifying before the House Benghazi Committee.
EVAN VUCCI/AP

A criminal probe launched by the FBI produced criticism of Clinton, but no charges. Just 11 days before the Nov. 8, 2016, presidential election, FBI Director James Comey, a Republican, reopened that investigation, but then shut it down again on Nov. 6. Clinton has blamed her loss on Comey's actions.

For 18 months after Turi's home was raided, he remained a shadow figure.

In December 2012, based on unnamed sources, the *New York Times* reported that Obama's administration "secretly gave its blessing to arms shipments to Libyan rebels from Qatar. But American officials later grew alarmed as evidence grew that Qatar was turning some of the weapons over to Islamic militants."

The Times mentioned that Turi Defense Group was under investigation, though the company never actually sent weapons to Libya. Turi told the newspaper that U.S. officials shut down his proposed arms pipeline "because he was getting in the way of the Obama administration's dealings with Qatar."

Pursuing that lead, right-wing media falsely reported that Turi had shipped weapons, and they speculated that those imagined arms were used by terrorists who killed Stevens.

For 31 months, federal prosecutors in Phoenix and counter-espionage lawyers in the Justice Department's National Security Division took no public action in Turi's case.

Turi hired a private attorney in Washington, D.C., Joe Schmitz, a former Defense Department inspector general who served as foreign policy adviser in the Trump campaign. In a 2014 commentary for The Blaze, Schmitz speculated that the Benghazi terrorists were affiliated with rebels "to whom the commander in chief authorized the covert shipment of weapons in coordination with Qatar."

On Feb. 11, 2014, a federal grand jury in Phoenix finally handed up the four-count indictment. Turi was accused of lying to the State Department and violating U.S. arms-export laws. Their case theory: Turi's deal with Qatar ultimately was intended to get around the Libyan embargo.

The case as spelled out by prosecutors was puzzling. Turi never delivered any arms. He sought State Department approval. And the government failed to seek an indictment for nearly three years.

In court, Turi declared himself indigent, with no money for a lawyer. Phoenix attorney Jean-Jacques Cabou was appointed defense counsel at government expense.

Cabou's legal strategy hinged on what's known as a "public authority defense," asserting that Turi's gun-running plan was authorized by the government, or at least he reasonably believed so.

In court filings, Cabou sought evidence that Clinton secretly armed the Libyan insurgents through other private brokers. He claimed Turi was a CIA contractor, working with agents, and the U.S. "did in fact covertly arm the Libyan rebels using a plan remarkably similar to the one at issue here."

In May 2016, the defense put together a slideshow for Justice Department lawyers, outlining reasons the case should be dismissed. The presentation stressed that Turi had pursued the Libya transaction openly, ultimately

received a permit for the Qatar shipment, and had even contacted Arizona Sen. John McCain's office for support.

One slide featured a March 2011 message from Turi to a McCain staffer describing his company as "the single largest private supplier of weapons and ammunition into Afghanistan." Turi explained that Libyan fighters were requesting firepower, and he was seeking State Department licenses "to begin delivery immediately. … We feel this option provides an avenue to limit U.S. involvement while supporting the opposition forces."

Within weeks of that message being sent, McCain became a leading voice for arming Libya's anti-Gadhafi forces. As reported at the time by CNN, the senator "argued that Western powers need to do more to 'facilitate' the delivery of weapons and training for the rebels."

McCain declined an interview request. An aide said the senator never met with Turi about the issue.

In court, Cabou pressed prosecutors to turn over CIA and State Department records.

Those demands implicated three topics of intense political concern to Republicans in Congress, and to the Democratic presidential candidate: U.S.-backed weapons shipments into Libya, Clinton's role in the Benghazi tragedy, and surreptitious emails.

A charred vehicle sits at the U.S. Consulate in Benghazi, Libya, on Feb. 16, 2013. The deadly Sept. 11 attack on the consulate killed U.S. … **Show more**
MOHAMMAD HANNON/AP

Federal lawyers tried to use the government's state-secrets privilege as a shield, but with limited success. After 2½ years — and with trial scheduled to begin on Election Day — U.S. District Judge David Campbell ordered prosecutors to hand over key documents.

The deadline was Oct. 5. With two days to spare, the Justice Department agreed to throw out its five-year criminal case.

All Turi had to do, without an admission of guilt, was stop doing weapons deals for the next four years. He signed a consent agreement with the State Department.

The dismissal triggered a wave of media reports asserting the Obama administration backed down to prevent exposure of Clinton's role in the arming of insurgents linked with the Benghazi tragedy.

Allegations of a cover-up also were stoked by Arizona political operative Robert Stryk, serving as Turi's friend and agent.

In one of many interviews, Stryk told Politico, "The U.S. government spent millions of dollars, went all over the world to bankrupt him, and destroyed his life — all to protect Hillary Clinton's crimes."

Stryk went further in his recent statements to *The Republic*. "Hillary Clinton destroyed Marc's life without even a shred of evidence," he said via email. "... Marc was a scapegoat for a covert and illegal weapons operation being funded out of the State Department, authorized directly by Hillary Clinton. These facts are not in dispute."

The facts *are* in dispute, though neither the State Department nor Clinton's campaign would comment.

The Republic asked Stryk to explain how criminal charges against an arms dealer benefited Clinton.

Stryk declined to answer — which brings this story to his ties with Donald Trump.

Online biographies describe Stryk as a former congressional aide in the 1990s to McCain, Rep. J.D. Hayworth and Rep. Jim Kolbe, all Arizona Republicans. (McCain's office said it has no payroll records for Stryk but did not deny he was once a staffer.)

In 1998, Stryk went to work for DCI Group, a Washington, D.C., lobbying firm where his clients included the Missile Defense Advocacy Alliance and the National Rifle Association.

Stryk returned to Arizona in 2001 and created Sonoran Policy Group, or SPG, a Scottsdale and Washington, D.C., firm that specializes in government relations, defense, intelligence and homeland security.

SPG apparently flourished. In 2010, Stryk was nominated to the Defense Trade Advisory Group, which counsels the State Department on policies supporting and regulating the Arms Export Control Act.

Today, he has homes in Arizona and California, plus a prominent vineyard in Oregon where he hosts an annual fundraiser for the National Rifle Association. The latter event attracts "some of the most powerful figures in American politics," according to the *Eugene (Oregon) Daily News*.

Corey Lewandowski, former campaign manager for Donald Trump.
JOE RAEDLE/GETTY IMAGES

Stryk's client list includes former Donald Trump campaign manager Corey Lewandowski, who was fired in June after he allegedly roughed up a journalist. Stryk then negotiated a $1.2 million deal for Lewandowski to write a book tentatively titled, "Let Trump Be Trump."

The publisher, HarperCollins, later backed out after learning the author was constrained by a nondisclosure contract.

Stryk has another tie with the Republican presidential candidate: The general counsel at Sonoran Policy Group, Jacob Daniels, served as Trump's campaign director in Oregon and second-in-command in Michigan.

Stryk declined to comment publicly about ties to the Trump camp.

In an interview and emails, Turi emphasized he had been a contractor with the CIA and State Department for years, and collaborated with agents in the Afghan deal.

Turi offered divergent answers about what prompted the criminal investigation.

Prosecutors have said it was triggered by an informer who overheard Turi talking on the phone about his business.

Turi said that tip was a fabrication created to cover illegal U.S. intelligence surveillance of his phone calls and emails. In espionage circles, he said, the use of a nonexistent informant is known as “parallel construction.”

Later, Turi said he initially came under investigation because millions of CIA dollars vanished during the Afghanistan arms deal, and some weapons did not get delivered as promised.

Finally, Turi said he was targeted because his proposed arms-to-Libya deal was interfering with Obama administration operations that “would be in direct violation of United Nations sanctions.”

“The administration had good reason to cover their facilitation of massive amounts of weapons and ammunition into the region,” Turi said. “... By coming after me the USG could claim it was a rogue contractor.”

Turi pointed out elements of his case that seemingly made no sense.

“I was licensed and authorized by the USG to conduct the exact operations they tried to come after me for,” Turi said. “If someone in the State Department had a problem with the application, they could have said no.

“I was a contractor for the Central Intelligence Agency (and) all of my colleagues were former CIA officers and active members of the CIA who were engaged with numerous members of Congress.”

In the end, prosecutors dropped their five-year, multimillion-dollar case just weeks before the Nov. 8 vote.

The reason, Turi said: “It would have disclosed a covert weapons operation ... in a presidential election.”

Justice Department officials and John Leonardo, U.S. attorney for Arizona, declined to answer questions about the case, including whether prosecution was aborted for political reasons.

Turi, meanwhile, founded a new company, Dari Concepts, at his old Las Vegas address. Its website advertises Middle East consulting in areas of political risk, security, and oil.

When asked what he's doing today, Turi said: "I still support U.S. foreign policy interests in the Middle East and Africa, and have been doing so for the past 5 years while the USG continued their prosecution of me."